

Interstate 35 CSD/Interstate 35 EA

2006-2007  
CEO: 321  
SECTOR: 1

Before the Arbitrator Nancy D. Powers

In the Matter of:

Interstate 35 Independent School District,  
Employer

And

Interstate 35 Education Association, Union

Date: June 27, 2007

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PUBLIC EMPLOYMENT  
RELATIONS BOARD

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**Appearances**

For the Union: Jim Crotty  
Joann Mackin  
ISEA  
777 Third St.  
Des Moines, IA 50309-1301

Tim McKinney  
Tim Bogs  
Association Negotiators

For the Employer: Andrew J. Bracken  
Ahlers & Cooney, P.C.  
100 Court Av., Suite 600  
Des Moines, IA 50309-2231

Bob Maske  
Superintendent

### **Statement of Jurisdiction**

Interstate 35 Independent School District and Interstate 35 Education Association have engaged in collective bargaining for a 2007-2008 contract. After reaching impasse, the parties sought arbitration of the outstanding wage issue. The undersigned was selected from a list of arbitrators provided by the Iowa PERB. The parties waived a panel of arbitrators. A hearing was held on June 14, 2007 at the school in Truro, Iowa. Both parties had an opportunity to present evidence and arguments in support of their respective positions.

### **Statement of the Issues at Impasse**

The parties have each proposed a total package increase. They are:

Association: 5.5%

District: 4.9%

### **Relevant Statutory Provisions**

#### **20.22 BINDING ARBITRATION.**

1. If an impasse persists after the findings of fact and recommendations are made public by the fact-finder, the parties may continue to negotiate or, the board shall have the power, upon request of either party, to arrange for arbitration, which shall be binding. The request for arbitration shall be in writing and a copy of the request shall be served upon the other party.

2. Each party shall submit to the board within four days of request a final offer on the impasse items with proof of service of a copy upon the other party. Each party shall also submit a copy of a draft of the proposed collective bargaining agreement to the extent to which agreement has been reached and the name of its selected arbitrator. The

parties may continue to negotiate all offers until an agreement is reached or a decision rendered by the panel of arbitrators.

As an alternative procedure, the two parties may agree to submit the dispute to a single arbitrator. If the parties cannot agree on the arbitrator within four days, the selection shall be made pursuant to subsection 5. The full costs of arbitration under this provision shall be shared equally by the parties to the dispute.

3. The submission of the impasse items to the arbitrators shall be limited to those issues that had been considered by the fact-finder and upon which the parties have not reached agreement.

With respect to each such item, the arbitration board award shall be restricted to the final offers on each impasse item submitted by the parties to the arbitration board or to the recommendation of the fact-finder on each impasse item.

9. The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.

b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.

c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.

d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

10. The chairperson of the panel of arbitrators may hold hearings and administer oaths, examine witnesses and documents, take testimony and receive evidence, issue subpoenas to compel the attendance of witnesses and the production of records, and delegate such powers to other members of the panel of arbitrators. The chairperson of the panel of arbitrators may petition the district court at the seat of

government or of the county in which any hearing is held to enforce the order of the chairperson compelling the attendance of witnesses and the production of records.

11. A majority of the panel of arbitrators shall select within fifteen days after its first meeting the most reasonable offer, in its judgment, of the final offers on each impasse item submitted by the parties, or the recommendations of the fact-finder on each impasse item.

12. The selections by the panel of arbitrators and items agreed upon by the public employer and the employee organization, shall be deemed to be the collective bargaining agreement between the parties.

13. The determination of the panel of arbitrators shall be by majority vote and shall be final and binding subject to the provisions of section 20.17, subsection 6. The panel of arbitrators shall give written explanation for its selection and inform the parties of its decision.

### **Background Information**

Interstate 35 Independent School District is located a K-12 building in Truro, Iowa, approximately 30 miles South of Des Moines, Iowa. It is comprised of the communities of St. Charles, Truro and New Virginia, Iowa with a combined population of approximately 1600 people. The District stretches 17 miles north to south and 21 miles east to west. There are 916.3 students, ranking the District 127<sup>th</sup> of 365 Iowa Districts. There are one full-time Superintendent and two building Principals. The District and the Association have engaged in collective bargaining since the Iowa law was passed. The parties have reached voluntary settlements every year except 1990 and 1994.

The teaching staff is comprised of 66.44 full-time equivalent professionals who occupy 53.44 regular teaching positions. The staff ranks 179<sup>th</sup> out of 365 districts on degree earned. The staff ranks 284<sup>th</sup> of 365 districts on district experience using this year's data. When it comes to average teacher salary, the staff ranks 310<sup>th</sup> of 365 districts. In 06-07, the District was second highest in the state in new money of 15.12% because of an influx of students into the District. The District's salary schedule has 4 lanes and 16 steps with 4 career increments beyond the schedule. The steps increase \$740 with each step. The lanes increase \$765 across.

The parties are in agreement on the cost of their respective proposals. The District's offer would cost \$152,152. The Association's offer would cost \$176,783. The distance separating them is \$18,631. The Association contends the potential turnover savings will be approximately \$32,631.

This year, the District has a 5.4% regular program increase of approximately \$250,000. Over the years since the 2000-2001 school year, the District's "new money" has ranged from 0% to 15.12%. Settlements have ranged from 3.9% in the year of no new money to 5% when new money was 2.96%. The average settlement during the period was 4.58%.

### **Positions of the Parties**

#### **Comparability Group**

The Association argues for a comparability group comprised of school districts in a 9 county area surrounding Des Moines, with similar enrollment- that is, the districts five above and five below I-35 in enrollment in this 9 county area. Of these schools, 8 are in the top 20 schools in the state. The schools are North Polk, Bondurant-Farrar, Gilbert, Roland-Story, PCM, Colfax-Mingo, Woodward-Granger, East Marshall, Ogden and Pleasantville. The Association contends these districts are the most comparable to I-35 because I-35 has become a "bedroom" community for Des Moines and the teaching staff goes to Des Moines to purchase most of their families needs. I-35 must compete with suburban schools for teaching staff. The Association argues that the District finds itself unable to compete with the other Districts for teachers because I-35 salaries are below all the other comparable districts at every point on the salary schedule except for base salary, where they are 6<sup>th</sup>, and the BA 5<sup>th</sup> and 10<sup>th</sup> year, where they are 9<sup>th</sup>, and BA Max, where they are 10<sup>th</sup> in the group. Of the schools in the comparability group that have settled, the average settlement is 4.84%<sup>1</sup> with an average "new money" of 4.56%

The Association also compared I-35 salaries with Clarke, Indianola, West Des Moines and Winterset at various points on the schedule, arguing I-35 salaries are significantly behind these schools – more discrepancies occur the longer a teacher stays in the District. This group had all settled

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<sup>1</sup> The Association combined settlement figures from IASB and ISEA to reach this average.

their contracts for 07-08. The average settlement was 5.22%<sup>2</sup> with 4.16% new money.

When looking at statewide settlement trends, the Association argued that the IASB figures were often reported to be lower than Association information on the settlements, distorting the settlement trend. The Association used its figures where there was a discrepancy and the IASB figures where there were no reports from ISEA. Using this method, the Association contended statewide settlements averaged 4.9% with average "new money" of 2.84%.

The District disagreed with the Association's comparability group, arguing that the athletic conference was the appropriate and historic comparison group. The District contended that if you look at athletic conference or the comparability group used by the Arbitrator in the 1994 arbitration or at schools with enrollment ten up and ten down from I-35, the District's offer compares very favorably with any of the group averages.

The District contends I-35 Staff have excellent health insurance coverage. In fact, the 2<sup>nd</sup> highest in the Pride of Iowa Conference for family coverage and 3<sup>rd</sup> highest for single coverage. The District pays \$514.81 for single coverage and \$737.81 for family coverage. I-35 is the largest school in the Pride of Iowa Conference. The District contends I-35

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<sup>2</sup> Here the Association contended IASB figures were inaccurate and reported below the actual settlements.

has the best across the board salary and benefit package in the conference. In 02-03, I-35 had the 3<sup>rd</sup> highest total package settlement. In 03-04 and 04-05, I-35 had the 2<sup>nd</sup> highest tp settlement. In 05-06, I-35 had the highest tp settlement in the conference.

The District argues that when comparing the ten school districts directly above and below I-35 in enrollment, I-35 had the highest two-year average for package settlement. The District demonstrated that in the comparability group advocated by the Association in the 1994 arbitration: 200+/- (in enrollment) of I-35 within a 50-mile radius of Des Moines, the average settlement is 4.7%<sup>3</sup>. The statewide settlement trend using the same IASB figures, where there were conflicts, the District states the average settlement is 4.76%

### **Ability to Pay**

The Association presented financial information to support their contention that the District had the ability to pay their final offer. The District did not dispute this contention, nor disagree with the Association's facts. The District stated the disagreement between the parties concerned priorities.

The District argued that it has weathered a "financial crisis" where general fund spending often exceeded general fund revenue. In 2005, the District formed a Coalition Committee comprised of citizens and

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<sup>3</sup> Here the District used IASB figures where there was a discrepancy between IASB and ISEA reported settlements.



school employees to develop a plan to put the District on firmer financial footing while minimizing staff reductions. Because of inclining enrollment and State curriculum mandates, new staff has been hired to meet student needs. The District anticipates the need to add even more staff in the near future – an investment with reoccurring costs. The District believes it is prudent financial planning to fund staff cost increases only from new money, if financial health is to be obtained and maintained. With the District's final offer to certified staff and outstanding obligations to the rest of the District's employees, less than \$20,000 would remain for other District uses.

The Association pointed out that the District had an unspent balance at the end of the 05-06 budget year of \$597,879 with a Budgetary Ending Fund Balance of \$125,715. The District has the ability to levy for cash reserve. Its tax rate will not be affected by the arbitrator's award.

### **Discussion and Conclusions**

The District and the Association are to be commended for working together to begin to resolve the financial crisis acknowledged by both parties beginning in 2005. They seem to be making progress towards a firmer financial position.

The difficult issue remaining for me to resolve is the best offer on wages for 07-08. The parties have made arguments for their respective

proposed comparability groups. I-35 seems to be in transition. Because of its location adjacent to Interstate 35 and just 30 minutes from Des Moines, it is almost certain to eventually become a "bedroom" community for Des Moines, but I don't believe the District is quite there yet. Witness the large enrollment increase for 06-07 and a predicted modest increase for 07-08. The Association's group is too "suburban" for I-35, and the District's athletic conference group is too rural and small to be a good comparison group. But, finding the exact group seems somewhat irrelevant considering the fact that the Association's comparability group figures support the District's offer.

The Association's comparison figures for its comparability group show the average settlement for 07-08 to be 4.84%. The statewide average settlement using the Association's figures is 5.02%. Even the area group used by the Association averages 5.21%. None of these support the Association's position. The only figures that support the Association's position are "districts within ½% of I-35's 5.4% regular program increase". These districts are of widely varying size and location. Not comparable in my opinion.

While the I-35 teaching staff has a lower average salary than the state-wide average salary, this is a reflection of both education and experience, as well as salary schedule structure. This fact alone is not

reason enough to award an offer above settlements in comparable districts.

The District's offer of a 4.9% total package increase is the most reasonable offer considering all the statutory criteria of Section 22.9 of the Act.

### **Award**

The total package cost for the District for 2007-2008 shall increase by 4.9%. The parties' contract shall consist of this increase as well as all other items already agreed by the parties.

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Nancy D. Powers, Arbitrator

Dated June 26, 2007